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DEPARTMENT OF THE TREASURY

Office of the Secretary of the Treasury

31 CFR Part 50

Office of Foreign Assets Control

31 CFR Parts 501, 535, 536, 538, 539, 541, 542, 544, 546, 547, 548, 549, 560, 561, 566, 576, 584, 588, 592, 594, 595, 597, and 598

Financial Crimes Enforcement Network

31 CFR Part 1010

Inflation Adjustment of Civil Monetary Penalties

AGENCY: Departmental Offices, Financial Crimes Enforcement Network, and Office of Foreign Assets Control, Treasury.

ACTION: Final rule.

SUMMARY: The Department of the Treasury (“Department” or “Treasury”) publishes this final rule to adjust its civil monetary penalties (“CMPs”) for inflation as mandated by the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (collectively referred to herein as “the Act”). This rule adjusts CMPs within the jurisdiction of certain components of the Department to the maximum amount required by the Act.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: For information regarding the Terrorism Risk Insurance Program’s CMPs, contact Richard Ifft, Senior Insurance Regulatory Policy Analyst, Federal Insurance Office, Room 1410 MT, Department of the Treasury, 1500 Pennsylvania Avenue NW, Washington, DC 20220, at (202) 622-2922 (not a toll-free number),

Kevin Meehan, Senior Insurance Regulatory Policy Analyst, Federal Insurance Office, at (202) 622-7009 (not a toll-free number), or Lindsey Baldwin, Senior Policy Analyst, Federal Insurance Office, at (202) 622-3220 (not a toll free number). Persons who have difficulty hearing or speaking may access these numbers via TTY by calling the toll-free Federal Relay Service at (800) 877-8339.

For information regarding Financial Crimes Enforcement Network's CMPs, contact the FinCEN Resource Center at (800) 767-2825 or email frc@fincen.gov.

For information regarding the Office of Foreign Assets Control's CMPs, contact the Assistant Director for Enforcement, tel.: 202-622-2430; Assistant Director for Licensing, tel.: 202-622-2480; Assistant Director for Regulatory Affairs, tel.: 202-622-4855; Assistant Director for Sanctions Compliance & Evaluation, tel.: 202-622-2490; or the Department of the Treasury's Office of the Chief Counsel (Foreign Assets Control), Office of the General Counsel, tel.: 202-622-2410.

SUPPLEMENTARY INFORMATION:

I. Background

In order to improve the effectiveness of CMPs and to maintain their deterrent effect, the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. 2461 note ("the Inflation Adjustment Act"), as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Pub. L. 114-74) ("the 2015 Act"), requires Federal agencies to adjust each CMP provided by law within the jurisdiction of the agency. The 2015 Act requires agencies to adjust the level of CMPs with an initial "catch-up" adjustment through an interim final rulemaking and to make subsequent annual adjustments for inflation, without needing to provide notice and the opportunity for public comment required by 5 U.S.C. 553. The

Department's initial catch-up adjustment interim final rules were published on June 30, 2016 (FinCEN) (81 FR 42503), July 1, 2016 (OFAC) (81 FR 43070), and December 7, 2016 (Departmental Offices) (81 FR 88600). The Department's 2017 annual adjustment was published on February 10, 2017 (82 FR 10434). The 2015 Act provides that any increase in a CMP shall apply to CMPs that are assessed after the date the increase takes effect, regardless of whether the underlying violation predated such increase.¹

II. Method of Calculation

The method of calculating CMP adjustments applied in this final rule is required by the 2015 Act. Under the 2015 Act and the Office of Management and Budget guidance required by the 2015 Act, annual inflation adjustments subsequent to the initial catch-up adjustment are to be based on the percent change between the Consumer Price Index for all Urban Consumers ("CPI-U") for the October preceding the date of the adjustment and the prior year's October CPI-U. As set forth in Office of Management and Budget Memorandum M-18-03 of December 15, 2017, the adjustment multiplier for 2018 is 1.02041. In order to complete the 2018 annual adjustment, each current CMP is multiplied by the 2018 adjustment multiplier. Under the 2015 Act, any increase in CMP must be rounded to the nearest multiple of \$1.

Procedural Matters

1. Administrative Procedure Act

The Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Section 701(b)) requires agencies, beginning in 2017, to make annual adjustments for inflation to CMPs, without needing to provide notice and the opportunity for public comment required by 5 U.S.C. 553. Additionally, the methodology used, effective 2017, for adjusting CMPs for inflation is

¹ However, the increased CMPs apply only with respect to underlying violations occurring after the date of enactment of the 2015 Act, i.e., after November 2, 2015.

provided by statute, with no discretion provided to agencies regarding the substance of the adjustments for inflation to CMPs. The Department is charged only with performing ministerial computations to determine the dollar amount of adjustments for inflation to CMPs. Accordingly, prior public notice and an opportunity for public comment and a delayed effective date are not required for this rule.

2. Regulatory Flexibility Act

Because no notice of proposed rulemaking is required, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) do not apply.

3. Executive Order 12866

This rule is not a significant regulatory action as defined in section 3.f of Executive Order 12866.

4. Paperwork Reduction Act

The provisions of the Paperwork Reduction Act of 1995, Pub. L. 104-13, 44 U.S.C. Chapter 35, and its implementing regulations, 5 CFR part 1320, do not apply to this rule because there are no new or revised recordkeeping or reporting requirements.

List of Subjects

31 CFR Part 50

Insurance, Terrorism.

31 CFR Parts 501, 535, 536, 538, 539, 541, 542, 544, 546, 547, 548, 549, 560, 561, 566, 576, 584, 588, 592, 594, 595, 597, and 598

Administrative practice and procedure, Banks, Banking, Blocking of assets, Exports, Foreign trade, Licensing, Penalties, Sanctions.

31 CFR Part 1010

Authority delegations (Government agencies), Banks and banking, Currency, Investigations, Law enforcement, Reporting and recordkeeping requirements.

Authority and Issuance

For the reasons set forth in the preamble, part 50, chapter V, and part 1010 of title 31 of the Code of Federal Regulations are amended as follows:

PART 50—TERRORISM RISK INSURANCE PROGRAM

1. The authority citation for part 50 continues to read as follows:

Authority: 5 U.S.C. 301; 31 U.S.C. 321; Title I, Pub. L. 107-297, 116 Stat. 2322, as amended by Pub. L. 109-144, 119 Stat. 2660, Pub. L. 110-160, 121 Stat. 1839 and Pub. L. 114-1, 129 Stat. 3 (15 U.S.C. 6701 note); Pub. L. 114-74, 129 Stat. 601, Title VII (28 U.S.C. 2461 note).

2. Amend § 50.83 by revising paragraph (a) to read as follows:

§ 50.83 Adjustment of civil monetary penalty amount.

(a) *Inflation adjustment.* Any penalty under the Act and these regulations may not exceed the greater of \$1,360,525 and, in the case of any failure to pay, charge, collect or remit amounts in accordance with the Act or these regulations such amount in dispute.

* * * * *

PART 501—REPORTING, PROCEDURES AND PENALTIES REGULATIONS

3. The authority citation for part 501 continues to read as follows:

Authority: 8 U.S.C. 1189; 18 U.S.C. 2332d, 2339B; 19 U.S.C. 3901-3913; 21 U.S.C. 1901-1908; 22 U.S.C. 287c; 22 U.S.C. 2370(a), 6009, 6032, 7205; 28 U.S.C. 2461 note; 31 U.S.C. 321(b); 50 U.S.C. 1701-1706; 50 U.S.C. App. 1-44.

Subpart D—Trading With the Enemy Act (TWEA) Penalties

§ 501.701 [Amended]

4. Amend § 501.701 as follows:

a. In the note to paragraph (a)(1), remove “As of January 15, 2017,” ; and remove “\$85,236” and add in its place “\$86,976”.

b. In paragraph (a)(3), remove “\$85,236” and add in its place “\$86,976”.

5. Amend appendix A to part 501 as follows:

a. In section V.B.2.a.i., remove “\$144,619” and add in its place “\$147,571”, and remove “\$289,238” and add in its place “\$295,141”.

b. . In section V.B.2.a.ii., remove “\$289,238” in all three locations where it appears, and add in its place in all three locations “\$295,141”.

c.. Revise the note to paragraph (a) of section V.B.2.a. to read as follows:

APPENDIX A TO PART 501—ECONOMIC SANCTIONS ENFORCEMENT

GUIDELINES.

* * * * *

B. * * *

2. * * *

a. * * *

Note to paragraph (a): The applicable statutory maximum civil penalty per violation for each statute enforced by OFAC is as follows: International Emergency Economic Powers Act (IEEPA) — greater of \$295,141 or twice the amount of the underlying transaction; Trading with the Enemy Act (TWEA) — \$86,976; Foreign Narcotics Kingpin Designation Act (FNKDA) — \$1,466,485; Antiterrorism and Effective Death Penalty Act of 1996 (AEDPA) — greater of \$77,909 or twice the amount of which a financial institution was required to retain possession or

control; and Clean Diamond Trade Act (CDTA) — \$13,333. The civil penalty amounts authorized under these statutes are subject to adjustment pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note).

The following matrix represents the base amount of the proposed civil penalty for each category of violation:

| | | BASE PENALTY MATRIX | |
|----------------------------------|------------|--|--|
| | | Egregious Case | |
| | | NO | YES |
| Voluntary Self-Disclosure | YES | (1) One-Half of Transaction Value (capped at <u>lesser</u> of \$147,571 <u>or</u> one-half of the applicable statutory maximum per violation) | (3) One-Half of Applicable Statutory Maximum |
| | NO | (2) Applicable Schedule Amount (capped at <u>lesser</u> of \$295,141 <u>or</u> the applicable statutory maximum per violation) | (4) Applicable Statutory Maximum |

PART 535—IRANIAN ASSETS CONTROL REGULATIONS

6. The authority citation for part 535 continues to read as follows:

Authority: 3 U.S.C. 301; 18 U.S.C. 2332d; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011; E.O. 12170, 44 FR 65729, 3 CFR, 1979 Comp., p. 457; E.O. 12205, 45 FR 24099, 3 CFR, 1980 Comp., p. 248; E.O. 12211, 45 FR 26685, 3 CFR, 1980 Comp., p. 253; E.O. 12276, 46 FR 7913, 3 CFR, 1981 Comp., p. 104; E.O. 12279, 46 FR 7919, 3 CFR, 1981 Comp., p. 109; E.O.

12280, 46 FR 7921, 3 CFR, 1981 Comp., p. 110; E.O. 12281, 46 FR 7923, 3 CFR, 1981 Comp., p. 112; E.O. 12282, 46 FR 7925, 3 CFR, 1981 Comp., p. 113; E.O. 12283, 46 FR 7927, 3 CFR, 1981 Comp., p. 114; and E.O. 12294, 46 FR 14111, 3 CFR, 1981 Comp., p. 139.

Subpart G—Penalties

§ 535.701 [Amended]

7. In the note to paragraph (a)(1) in § 535.701, remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$289,238” and add in its place “\$295,141”.

PART 536—NARCOTICS TRAFFICKING SANCTIONS REGULATIONS

8. The authority citation for part 536 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011; E.O. 12978, 60 FR 54579, 3 CFR, 1995 Comp., p. 415; E.O. 13286, 68 FR 10619, 3 CFR, 2003 Comp., p. 166.

Subpart G—Penalties

§ 536.701 [Amended]

9. In the note to paragraph (a)(1) in § 536.701, remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$289,238” and add in its place “\$295,141”.

PART 538—SUDANESE SANCTIONS REGULATIONS

10. The authority citation for part 538 continues to read as follows:

Authority: 3 U.S.C. 301; 18 U.S.C. 2339B, 2332d; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); 22 U.S.C. 7201-7211; Pub. L. 109-344, 120 Stat. 1869; Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); E.O. 13067, 62 FR 59989, 3 CFR, 1997 Comp., p. 230; E.O. 13412, 71 FR 61369, 3 CFR, 2006 Comp., p. 244.

Subpart G—Penalties

§ 538.701 [Amended]

11. In the note to paragraph (a)(1) in § 538.701 , remove “As of January 15, 2017” and add in its place “The”, and remove “\$289,238” and add in its place “\$295,141”.

PART 539—WEAPONS OF MASS DESTRUCTION TRADE CONTROL REGULATIONS

12. The authority citation for part 539 continues to read as follows:

Authority: 3 U.S.C. 301; 22 U.S.C. 2751-2799aa-2; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 13094, 63 FR 40803, 3 CFR, 1998 Comp., p. 200.

Subpart G—Penalties

§ 539.701 [Amended]

13. In the note to paragraph (a)(1) in § 539.701, remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$289,238” and add in its place “\$295,141”.

PART 541—ZIMBABWE SANCTIONS REGULATIONS

14. The authority citation for part 541 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); E.O. 13288, 68 FR 11457, 3 CFR, 2003 Comp., p. 186; E.O. 13391, 70 FR 71201, 3 CFR, 2005 Comp., p. 206; E.O. 13469, 73 FR 43841, 3 CFR, 2008 Comp., p. 1025.

Subpart G—Penalties

§ 541.701 [Amended]

15. In the note to paragraph (a)(1) in § 541.701, remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$289,238” and add in its place “\$295,141”.

PART 542—SYRIAN SANCTIONS REGULATIONS

16. The authority citation for part 542 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 18 U.S.C. 2332d; 22 U.S.C. 287c; 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1701 note); E.O. 13338, 69 FR 26751, 3 CFR, 2004 Comp., p. 168; E.O. 13399, 71 FR 25059, 3 CFR, 2006 Comp., p. 218; E.O. 13460, 73 FR 8991, 3 CFR 2008 Comp., p. 181; E.O. 13572, 76 FR 24787, 3 CFR 2011 Comp., p. 236; E.O. 13573, 76 FR 29143, 3 CFR 2011 Comp., p. 241; E.O. 13582, 76 FR 52209, 3 CFR 2011 Comp., p. 264; E.O. 13606, 77 FR 24571, 3 CFR 2012 Comp., p. 243.

Subpart G—Penalties

§ 542.701 [Amended]

17. In the note to paragraph (a)(1) in § 542.701, remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$289,238” and add in its place “\$295,141”.

PART 544—WEAPONS OF MASS DESTRUCTION PROLIFERATORS SANCTIONS REGULATIONS

18. The authority citation for part 544 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Public Law 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Public Law 110-96, 121 Stat. 1011; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 13094, 63 FR 40803, 3 CFR, 1998 Comp., p. 200; E.O. 13382, 70 FR 38567, 3 CFR, 2005 Comp., p. 170.

Subpart G—Penalties

§ 544.701 [Amended]

19. In the note to paragraph (a)(1) in § 544.701, remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$289,238” and add in its place “\$295,141”.

PART 546—DARFUR SANCTIONS REGULATIONS

20. The authority citation for part 546 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; 22 U.S.C. 287c; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); E.O. 13067, 62 FR 59989, 3 CFR, 1997 Comp., p. 230; E.O. 13400, 71 FR 25483, 3 CFR, 2006 Comp., p. 220.

Subpart G—Penalties

§ 546.701 [Amended]

21. In the note to paragraph (a)(1) in § 546.701, remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$289,238” and add in its place “\$295,141”.

PART 547—DEMOCRATIC REPUBLIC OF THE CONGO SANCTIONS REGULATIONS

22. The authority citation for part 547 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; 22 U.S.C. 287c; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); E.O. 13413, 71 FR 64105, 3 CFR, 2006 Comp., p. 247.

Subpart G—Penalties

§ 547.701 [Amended]

23. In the note to paragraph (a)(1) in § 547.701, remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$289,238” and add in its place “\$295,141”.

PART 548—BELARUS SANCTIONS REGULATIONS

24. The authority citation for part 548 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); E.O. 13405, 71 FR 35485; 3 CFR, 2007 Comp., p. 231.

Subpart G—Penalties

§ 548.701 [Amended]

25. In the note to paragraph (a)(1) in § 548.701, remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$289,238” and add in its place “\$295,141”.

PART 549—LEBANON SANCTIONS REGULATIONS

26. The authority citation for part 549 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); E.O. 13441, 72 FR 43499, 3 CFR, 2008 Comp., p. 232.

Subpart G—Penalties

§ 549.701 [Amended]

27. In the note to paragraph (a)(1) in § 549.701, remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$289,238” and add in its place “\$295,141”.

PART 560—IRANIAN TRANSACTIONS AND SANCTIONS REGULATIONS

28. The authority citation for part 560 continues to read as follows:

Authority: 3 U.S.C. 301; 18 U.S.C. 2339B, 2332d; 22 U.S.C. 2349aa-9; 22 U.S.C. 7201-7211; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Public Law 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Public Law 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); Public Law

111-195, 124 Stat. 1312 (22 U.S.C. 8501-8551); Public Law 112-81, 125 Stat. 1298 (22 U.S.C. 8513a); Public Law 112-158, 126 Stat. 1214 (22 U.S.C. 8701-8795); E.O. 12613, 52 FR 41940, 3 CFR, 1987 Comp., p. 256; E.O. 12957, 60 FR 14615, 3 CFR, 1995 Comp., p. 332; E.O. 12959, 60 FR 24757, 3 CFR, 1995 Comp., p. 356; E.O. 13059, 62 FR 44531, 3 CFR, 1997 Comp., p. 217; E.O. 13599, 77 FR 6659, 3 CFR, 2012 Comp., p. 215; E.O. 13628, 77 FR 62139, 3 CFR, 2012 Comp., p. 314.

Subpart G—Penalties

§ 560.701 [Amended]

29. In the note to paragraph (a)(1) in § 560.701, remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$289,238” and add in its place “\$295,141”.

PART 561—IRANIAN FINANCIAL SANCTIONS REGULATIONS

30. The authority citation for part 561 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); Pub. L. 111-195, 124 Stat. 1312 (22 U.S.C. 8501-8551); Pub. L. 112-81, 125 Stat. 1298 (22 U.S.C. 8513a); Pub. L. 112-158, 126 Stat. 1214 (22 U.S.C. 8701-8795); E.O. 12957, 60 FR 14615, 3 CFR, 1995 Comp., p. 332; E.O. 13553, 75 FR 60567, 3 CFR, 2010 Comp., p. 253; E.O. 13599, 77 FR 6659, February 8, 2012; E.O. 13622, 77 FR 45897, August 2, 2012; E.O. 13628, 77 FR 62139, October 12, 2012.

Subpart G—Penalties

§ 561.701 [Amended]

31. In the note to paragraph (a) in § 561.701, remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$289,238” and add in its place “\$295,141”.

PART 566—HIZBALLAH FINANCIAL SANCTIONS REGULATIONS

32. The authority citation for part 566 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); Pub. L. 114-102.

Subpart G—Penalties

§ 566.701 [Amended]

33. In the note to paragraph (a) in § 566.701, remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$289,238” and add in its place “\$295,141”.

PART 576—IRAQ STABILIZATION AND INSURGENCY SANCTIONS REGULATIONS

34. The authority citation for part 576 continues to read as follows:

Authority: 3 U.S.C. 301; 22 U.S.C. 287c; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 110-96, 121 Stat. 1011; E.O. 13303, 68 FR 31931, 3 CFR, 2003 Comp., p. 227; E.O. 13315, 68 FR 52315, 3 CFR, 2003 Comp., p. 252; E.O. 13350, 69 FR 46055, 3 CFR, 2004 Comp., p. 196; E.O. 13364, 69 FR 70177, 3 CFR, 2004 Comp., p. 236; E.O. 13438, 72 FR 39719, 3 CFR, 2007 Comp., p. 224; E.O. 13668, 79 FR 31019, 3 CFR, 2014 Comp., p. 248.

Subpart G—Penalties

§ 576.701 [Amended]

35. In the note to paragraph (a)(1) in § 576.701 , remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$289,238” and add in its place “\$295,141”.

PART 584—MAGNITSKY ACT SANCTIONS REGULATIONS

36. The authority citation for part 584 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); Pub. L. 112-208, 126 Stat. 1502, (22 U.S.C. 5811 note).

§ 584.701 [Amended]

37. In the note to paragraph (a)(1) in § 584.701, remove “As of December 21, 2017,”; and remove “\$239,238” and add in its place “\$295,141”.

PART 588—WESTERN BALKANS STABILIZATION REGULATIONS

38. The authority citation for part 588 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); E.O. 13219, 66 FR 34777, 3 CFR, 2001 Comp., p. 778; E.O. 13304, 68 FR 32315, 3 CFR, 2004 Comp. p. 229.

Subpart G—Penalties

§ 588.701 [Amended]

39. In the note to paragraph (a)(1) in § 588.701, remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$289,238” and add in its place “\$295,141”.

PART 592—ROUGH DIAMONDS CONTROL REGULATIONS

40. The authority citation for part 592 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); Pub. L. 108-19, 117 Stat. 631 (19 U.S.C. 3901-3913); E.O. 13312, 68 FR 45151 3 CFR, 2003 Comp., p. 246.

Subpart F—Penalties

§ 592.601 [Amended]

41. In the note to paragraph (a)(1) in § 592.601, remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$13,066” and add in its place “\$13,333”.

PART 594—GLOBAL TERRORISM SANCTIONS REGULATIONS

42. The authority citation for part 594 continues to read as follows:

Authority: 3 U.S.C. 301; 22 U.S.C. 287c; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011; Pub. L. 115-44, 131 Stat. 886 (22 U.S.C. 9401 *et seq.*), E.O. 13224, 66 FR 49079, 3 CFR, 2001 Comp., p. 786; E.O. 13268, 67 FR 44751, 3 CFR, 2002 Comp., p. 240; E.O. 13284, 68 FR 4075, 3 CFR, 2003 Comp., p. 161; E.O. 13372, 70 FR 8499, 3 CFR, 2006 Comp., p. 159.

Subpart G—Penalties

§ 594.701 [Amended]

43. In the note to paragraph (a)(1) in § 594.701, remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$289,238” and add in its place “\$295,141”.

PART 595—TERRORISM SANCTIONS REGULATIONS

44. The authority citation for part 595 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601–1651, 1701–1706; Pub. L. 101–410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110–96, 121 Stat. 1011; E.O. 12947, 60 FR 5079, 3 CFR, 1995 Comp., p. 319; E.O. 13099, 63 FR 45167, 3 CFR, 1998 Comp., p. 208; E.O. 13372, 70 FR 8499, 3 CFR, 2006 Comp., p. 159.

Subpart G—Penalties

§ 595.701 [Amended]

45. In the note to paragraph (a)(1) in § 595.701, remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$289,238” and add in its place “\$295,141”.

PART 597—FOREIGN TERRORIST ORGANIZATIONS SANCTIONS REGULATIONS

46. The authority citation for part 597 continues to read as follows:

Authority: 31 U.S.C. 321(b); Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 104-132, 110 Stat. 1214, 1248-53 (8 U.S.C. 1189, 18 U.S.C. 2339B).

Subpart G—Penalties

§ 597.701 [Amended]

47. In the note to paragraph (b) in § 597.701, remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$76,351” and add in its place “\$77,909”.

PART 598—FOREIGN NARCOTICS KINGPIN SANCTIONS REGULATIONS

48. The authority citation for part 598 continues to read as follows:

Authority: 3 U.S.C. 301; 21 U.S.C. 1901-1908; 31 U.S.C. 321(b); Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note).

Subpart G—Penalties

§ 598.701 [Amended]

49. In the note to paragraph (a)(3) in § 598.701, remove “As of January 15, 2017, the” and add in its place “The”, and remove “\$1,437,153” and add in its place “\$1,466,485”.

PART 1010 – GENERAL PROVISIONS

50. The authority citation for part 1010 continues to read as follows:

Authority: 12 U.S.C. 1829b and 1951-1959; 31 U.S.C. 5311-5314 and 5316-5332; title III, sec. 314, Pub. L. 107-56, 115 Stat. 307; sec. 701, Pub. L. 114-74, 129 Stat. 599.

51. Amend §1010.821 by revising Table 1 of §1010.821 to read as follows:

§ 1010.821 Penalty adjustment and table.

* * * * *

(b) * * *

Table 1 of § 1010.821 – Penalty Adjustment Table

| U.S. Code Citation | Civil monetary penalty description | Penalties as last amended by Statute | New maximum penalty amounts or range of minimum and maximum penalty amounts for penalties assessed after 8/1/2016 but before 1/16/2017 | New maximum penalty amounts or range of minimum and maximum penalty amounts for penalties assessed after 1/15/2017 |
|-----------------------------|---|--------------------------------------|--|--|
| 12 U.S.C. 1829b(j) | Relating to Recordkeeping Violations For Funds Transfers | \$10,000 | \$20,111 | \$20,521 |
| 12 U.S.C. 1955 | Willful or Grossly Negligent Recordkeeping Violations | \$10,000 | \$20,111 | \$20,521 |
| 31 U.S.C. 5318(k)(3)(C) | Failure to Terminate Correspondent Relationship with Foreign Bank | \$10,000 | \$13,603 | \$13,881 |
| 31 U.S.C. 5321(a)(1) | General Civil Penalty Provision for Willful Violations of Bank Secrecy Act Requirements | \$25,000 - \$100,000 | \$54,789 - \$219,156 | \$55,907 - \$223,629 |
| 31 U.S.C. 5321(a)(5)(B)(i). | Foreign Financial Agency Transaction – Non-Willful Violation of Transaction | \$10,000 | \$12,663 | \$12,921 |
| 31 U.S.C. 5321(a)(5)(C) | Foreign Financial Agency Transaction – Willful Violation of Transaction | \$100,000 | \$126,626 | \$129,210 |
| 31 U.S.C. 5321(a)(6)(A) | Negligent Violation by Financial Institution or Non-Financial Trade or Business | \$500 | \$1,096 | \$1,118 |
| 31 U.S.C. 5321(a)(6)(B) | Pattern of Negligent Activity by Financial Institution or Non-Financial Trade or | \$50,000 | \$85,236 | \$86,976 |

| | | | | |
|-------------------------|---|-------------|-------------|-------------|
| | Business | | | |
| 31 U.S.C. 5321(a)(7) | Violation of Certain Due Diligence Requirements, Prohibition on Correspondent Accounts for Shell Banks, and Special Measures | \$1,000,000 | \$1,360,317 | \$1,388,081 |
| 31 U.S.C. 5330(e) | Civil Penalty for Failure to Register as Money Transmitting Business | \$5,000 | \$8,084 | \$8,249 |

Ryan Brady

Executive Secretary.

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